

PRIVATIZATION OF THE URANIUM ENRICHMENT INDUSTRY: HOW IT AFFECTS AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STRICKLAND) is recognized for 5 minutes.

Mr. STRICKLAND. Mr. Speaker, I have addressed this House several times in the last week and a half regarding a matter that is of great importance to this entire Nation, and that is the uranium enrichment industry which was privatized, an industry which was privatized 2 years ago.

Just recently, this privatized company made the announcement that one of the two enrichment facilities in this country would be closed, thus displacing nearly 2000 workers from jobs, and, I believe, endangering the economic and the energy security of this Nation.

I come to the House floor today because I want to share with Members of this House and with the country a letter which was sent to the CEO of this privatized company by the chairman of my committee, the Committee on Commerce. This letter was sent by the gentleman from Virginia (Mr. BLILEY). I would just like to read one paragraph from the letter, because I think it is relevant to what has happened with this industry.

Mr. BLILEY writes to Mr. Timbers: "According to a Wall Street Journal editorial dated Thursday, June 28, you indicated that USEC's," the private company, that its "recent decision to close the Department of Energy's Portsmouth Gaseous Diffusion plant was made in response to congressional intent in privatization language. Specifically, you state that USEC's decision to close the Portsmouth plant was the reason Congress privatized the company."

Then Mr. BLILEY says to Mr. Timbers: "I can assure you that this is not the case. A single operating gaseous diffusion plant with no credible plan for a succeeding enrichment technology is not what Congress intended for the privatized company."

Mr. Speaker, the reason this is so relevant is the fact that approximately 23 percent of all of the electric generated in our country is generated through nuclear power. Mr. Timbers, through his actions and this private company's decision to close one of our two plants, I believe, puts in grave danger this Nation's economic and energy security.

In the letter to Mr. Timbers, the gentleman from Virginia (Mr. BLILEY) asks several questions, and I would like to share one of those questions and requests for information. He says to Mr. Timbers: "In the event of an interruption of the deliveries of material from Russia over the next 5 years, how does USEC plan to meet its committed demands for SWU?" That is, the nuclear fuel. And then he says: "Please answer

this question separately for each of the following scenarios: What happens if there is a 3-month delay in Russian deliveries, a 6-month delay in Russian deliveries, a 1-year delay in Russian deliveries, a 2-year delay in Russian deliveries, and a delay in Russian deliveries sustained beyond a 2-year period? For each of these scenarios, please assume that the delays begin after USEC has deactivated the Portsmouth plant."

Mr. Speaker, the Nuclear Regulatory Commission will be issuing a report soon, and they must verify that USEC can continue to be depended upon to provide a reliable supply of domestic fuel to meet the Nation's energy needs. It is imperative that we define domestic as the material which is produced within the United States of America, and reliable must be defined as providing for 100 percent of our Nation's need for nuclear fuel.

If USEC cannot do this, then they can no longer be licensed to operate these gaseous diffusion plants, and that is all the more reason why this Congress should reconsider the privatization of this industry.

Next week I will introduce legislation that will enable us to do what we need to do, and that is to assume the Government's ownership of this industry once again and, therefore, protect our country from having to depend upon foreign sources for nuclear fuel for some 23 percent of our Nation's electric needs.

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Mr. Speaker, I include for the RECORD a letter from the gentleman from Virginia (Mr. BLILEY) to Mr. William Timbers:

The letter referred to is as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
Washington, DC, July 11, 2000.

Mr. WILLIAM H. TIMBERS,
President and CEO, USEC, Inc.,
Bethesda, MD.

DEAR MR. TIMBERS: As you know, the Committee is continuing its review of USEC privatization and its impact on national security and the domestic uranium industry. I am writing to you with respect to recent, troubling statements you have made on this subject, and to obtain additional documents and information related to USEC privatization.

According to a Wall Street Journal editorial dated Thursday, June 28, 2000, you indicated that USEC's recent decision to close the Department of Energy's (DOE) Portsmouth Gaseous Diffusion Plant (Portsmouth plant) was made in response to Congressional intent in privatization legislation. Specifically, you state that USEC's decision to close the Portsmouth plant was "the reason Congress privatized the company." I can assure you that this is not the case. A single operating gaseous diffusion plant with no credible plan for a succeeding enrichment technology is not what Congress intended for the privatized company.

In a recent letter to Energy Secretary Bill Richardson dated June 20, 2000, you also stated that USEC has "successfully implemented

the HEU agreement," and that "recent Congressional hearings have confirmed [the HEU agreement] has succeeded at the expense of USEC." I should remind you that USEC freely negotiated and bound itself to the terms of the current 5-year implementing contract, and in 1998 made public disclosures in support of an Initial Public Offering (IPO) of stock, which included a complete analysis of what impact the HEU agreement could have on a privatized company. Given the USEC Board of Directors' fiduciary responsibilities to its shareholders, I must believe that USEC's decisions last November to continue as Executive Agent—after threats of resignation—was supported by a thorough assessment and conclusions that the HEU agreement is important for USEC's survival.

I also am perplexed by the extreme about-face you and your company have demonstrated on several issues in the months since privatization. For instance, in less than 12 months after privatization, the AVLIS technology went from USEC's low-cost solution for future uranium enrichment production, to a useless technology that will not see commercialization. Furthermore, I find it hard to believe that "global business realities" that "no one could have foreseen at the time of privatization" are the cause of USEC's precipitous decline over the past 22 months, as you indicated in your letter to Secretary Richardson. I am now more convinced that USEC's flagging business performance and the threat it presents to domestic energy security is directly related to questionable representations made by USEC to its Board in support of your bid for an IPO, as well as questionable business decisions made by the company since privatization.

Accordingly, in order to obtain a better understanding of these issues, I am requesting that, pursuant to Rules X and XI of the U.S. House of Representatives, you provide the Committee with the following documents and information by July 25, 2000:

1. Please identify the total amount of SWU USEC expects to sell over the next five years. Of this amount, please identify the total amount of SWU USEC expects to sell to domestic nuclear power companies.

2. Please identify the total amount of SWU USEC will efficiently produce at the Paducah Gaseous Diffusion Plant (Paducah plant) per year, for over the next five years.

3. Please identify the total amount of SWU USEC currently has in inventory.

4. Please indicate when USEC expects to obtain a license amendment from the Nuclear Regulatory Commission to increase its uranium enrichment capacity at the Paducah plant.

5. Please discuss the earliest date USEC can reasonably construct and begin to operate a new uranium enrichment plant, and at what capacity this new plant would produce SWU.

6. In the event of an interruption in HEU deliveries from Russia over the next five years, how does USEC plan to meet its committed demand for SWU? Please answer this question separately for each of the following scenarios: a three-month delay in Russian deliveries, a six-month delay in Russian deliveries, a one-year delay in Russian deliveries, a two-year delay in Russian deliveries, and a delay in Russian deliveries sustained beyond a two-year period. For each of these scenarios, please assume that the delays begin after USEC has deactivated the Portsmouth plant.

7. If the United States Government decides to terminate USEC as Executive Agent to

the HEU agreement, in part or in full, please describe how this would affect USEC and whether the company could meet its committed demand for SWU.

8. Please provide all records relating to communications between USEC or its board (or any of their directors, officers, employees, agents or contractors) and any outside individual or entity, whether governmental or private, regarding the decision whether to proceed with privatization or the choice among competing privatization options. For purposes of this request, you may limit your production to those records created on or after January 1, 1997. Please refer to the attachment for definitions of the terms "records" and "relating."

Thank you for your cooperation with this request. If you have any questions, please contact me directly, or have a member of your staff contact Dwight Cotes of the Committee staff at (202) 226-2424.

Sincerely,

TOM BLILEY,
Chairman.

THE HIGH COST OF PRESCRIPTION DRUGS IN AMERICA

The SPEAKER pro tempore (Mr. PEASE). Under a previous order of the House, the gentlewoman from Michigan (Ms. STABENOW) is recognized for 5 minutes.

Ms. STABENOW. Mr. Speaker, I rise today, as I have on numerous occasions, to speak out about the high cost of prescription drugs for families all across America, and particularly for older Americans who are regularly using the largest number of medications on a daily basis.

I have for over a year now been leading an effort in Michigan when speaking with seniors, getting letters from them, have set up a hotline for people to call and share their concerns and stories about the high cost of their medication.

As a result of that effort over the past year, I have come to this floor sharing stories and reading letters from my constituents urging that we pass a comprehensive Medicare benefit for prescription drugs, one that is voluntary, one that is within Medicare, and will help our seniors pay for the costs of their medications.

Once again, today I rise to read a letter. I would like to read a letter that says, "Dear Debbie, I don't call this fair for an elder citizen on fixed income to pay \$2,100 a year to just stay alive. I need my heart patches every day to make my ticker keep going, my inhaler so I can breath, and pain medication to help me with the daily pain of my bones. Thank you for listening to me. Sincerely, Beatrice J. Homan."

Mrs. Homan has also reported to me that she often does not buy her medications because she cannot afford them.

I have now twice taken busloads of seniors from Michigan across the bridge to Canada to demonstrate the dramatic differences in costs between our country and Canada. I would like to share with the Members, because we

just took a trip a week ago, how we could make a dramatic difference for Beatrice Homan and the seniors of Michigan if we were to first allow prescriptions to be purchased by our pharmacists at a lower price in Canada, if in fact that is available, and secondly, if we were to lower the costs of prescription drugs in our country and provide a Medicare benefit for our seniors so that they can have real health care coverage.

We have Medicare that has been set up since 1965, but it does not cover the way health care is provided today. Under Medicare, we could go in the hospital and have an operation. We could get the prescriptions in the hospital. But most seniors and most of us are going to outpatient clinics, getting home health care, needing our prescriptions on an outpatient basis. That is what Medicare does not cover. It is outdated. It needs to be fixed. With the greatest economy we have had in over a generation, we can do it if we have the political will to make it happen.

I have had the opportunity to take our seniors from Michigan to Canada, and let me give an example of the differences in the costs.

Barbara Morgan normally pays \$273 a month for her medications, and just crossing the bridge, 5 minutes across the bridge, we lower the cost from \$273 to \$31.83, a savings of 88 percent.

Lonnie Stone normally spends \$800. We were able to get his same medications, FDA-approved, American-made, in Canada for \$268, a savings of 67 percent.

Dorothy Price normally pays \$477. We were able to cut her costs by 66 percent, to \$163.20.

Ilene Carr normally pays \$1,071.30. We were able to cut that by 50 percent, cut in half a \$1,000 prescription drug bill.

We can do better than this. We are fortunate in our country to have wonderful public facilities in which research is done that our drug companies use to then produce products for the market. We are fortunate that we encourage that through taxpayers' funded tax credits to help with that research. We help to fund that, and yet in this country we are paying more than any other country in the world. Every other country is sold these same drugs, American-made, helped to be subsidized by the American taxpayers for less.

We can do better, Mr. Speaker, and I would strongly urge my colleagues to make prescription drug coverage under Medicare a priority.

THE NEED FOR NATIONAL LEADERSHIP IN PUBLIC EDUCATION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from North Carolina (Mr. ETHERIDGE) is recognized for 60 minutes as the designee of the minority leader.

Mr. ETHERIDGE. Mr. Speaker, I rise today to speak about one of the most critical issues facing our Nation. That is the education of our children. Hopefully as this afternoon goes on I will be joined by some of my Democratic colleagues to discuss this issue and the need for national leadership in this whole area of public education.

We spend an awful lot of time in this body arguing back and forth about appropriations and budgets. We have just finished today doing that, and on and on. But what gets lost too often in all the sound and the fury of the legislative debate is the central meaning of the choices that we make and the people that it impacts so directly.

My colleague, the gentlewoman from Michigan, was just talking about prescription drugs, real live people. Education is about real live young people.

The budget and spending choices that we make help us define what our priorities are. They express our values. A whole lot more than what we argue about those values being, our actions speak for what our values really are.

Mr. Speaker, my colleagues and I in the Democratic Caucus have been working now for several years trying to give greater priority to education in the budget process.

Let me explain to all of my colleagues, the budget process is where the action takes place. We can talk about authorizing committees and they are the people who write the policies, et cetera, et cetera. Before I came to Congress I served as a legislator in North Carolina. I chaired the Committee on Appropriations for 4 years. Let me remind my colleagues, words are cheap, actions cost money.

I have often said to folks, there is a big slip between the lip and the hip. It is easy to talk about it, it is tough to put actions to words when it really comes to making it happen.

I go into an awful lot of schools. Before I came to Congress I served 8 years as State superintendent of my State schools. Children are pretty smart people, a lot smarter than some of us give them credit for. They know the difference between phonies and real folks who really mean what they say and say what they mean.

When they ride by a brand new \$22 and \$23 million prison to go to a run-down school building, one that the wind blows through in the wintertime, with no air conditioning, they do not have the books that they need nor the technology they ought to have, they can figure out right quick what is important in their community.

My colleagues and I have been working hard to make sure that we can focus in on these issues, because we do value education, because we know that lifetime learning or lifelong learning is the key to the American dream, not only for the middle class, but to allow people to move up into the middle class.